

PLAQUEMINES PARISH ASSESSOR

Point-a-la-Hache, Louisiana

Financial Report

Year Ended December 31, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/13/11

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
BASIC FINANCIAL STATEMENTS	
Government-wide financial statements	
Statement of net assets	5
Statement of activities	6
Fund financial statements	
Governmental fund	
Balance sheet	9-10
Statement of revenues, expenditures, and changes in fund balance	11-12
Notes to basic financial statements	13-24
REQUIRED SUPPLEMENTARY INFORMATION	
General Fund:	
Budgetary comparison schedule	26
Schedule of funding progress	27
INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS	
Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	29-30
Schedule of audit results and findings	31-33
Summary schedule of prior audit findings	34
Corrective action plan for current year findings	35

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INDEPENDENT AUDITOR'S REPORT

Honorable Robert R. Gravolet
Plaquemines Parish Assessor
Point-a-la-Hache, Louisiana

We have audited the accompanying financial statements of the governmental activities and the major fund of the Plaquemines Parish Assessor ("Assessor"), a component unit of the Plaquemines Parish Government, as of and for the year ended December 31, 2010 which collectively comprise the Assessor's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Assessor's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Assessor, as of December 31, 2010, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 29, 2011, on our consideration of the Assessor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The budgetary comparison information and schedule of funding progress on pages 26 and 27, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. The Assessor has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
June 29, 2011

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

PLAQUEMINES PARISH ASSESSOR
Pointe-a-la-Hache, Louisiana

Statement of Net Assets
December 31, 2010

	Governmental Activities
ASSETS	
Cash and interest-bearing deposits	\$ 636,741
Receivables	
Due from other governmental units	1,237,996
Interest	1,153
Prepaid expenses	19,367
Capital assets, net	<u>15,911</u>
Total assets	<u>1,911,168</u>
LIABILITIES	
Current liabilities:	
Accounts payable	12,402
Accrued liabilities	2,682
Revenue anticipation note payable	<u>44,000</u>
Total current liabilities	<u>59,084</u>
Noncurrent liabilities:	
Net OPEB obligation	<u>367,451</u>
Total liabilities	<u>426,535</u>
NET ASSETS	
Invested in capital assets	15,911
Unrestricted	<u>1,468,722</u>
Total net assets	<u>\$ 1,484,633</u>

The accompanying notes are an integral part of the basic financial statements.

PLAQUEMINES PARISH ASSESSOR
Pointe-a-la-Hache, Louisiana

Statement of Activities
Year Ended December 31, 2010

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General government	\$ 1,185,372	\$ 2,789	\$ 47,307	\$ (1,135,276)
General revenue:				
Taxes:				
Property taxes, levied for general purposes				1,112,725
Grants and contributions not restricted to specific programs:				
Federal sources				283
State sources				7,703
Interest				<u>5,916</u>
Total general revenues				<u>1,126,627</u>
Change in net assets				(8,649)
Net assets, as restated - January 1, 2010				<u>1,493,282</u>
Net assets - December 31, 2010				<u>\$ 1,484,633</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS

MAJOR FUND DESCRIPTION

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

PLAQUEMINES PARISH ASSESSOR
Pointe-a-la-Hache, Louisiana

Balance Sheet
Governmental Fund
December 31, 2010

	<u>General Fund</u>
ASSETS	
Assets:	
Cash and interest-bearing deposits	\$ 636,741
Receivables	
Due from other governmental units	1,237,996
Interest	1,153
Prepaid expenditures	<u>19,367</u>
Total assets	<u>\$1,895,257</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 12,402
Accrued liabilities	2,682
Deferred revenue	<u>274,250</u>
Total liabilities	<u>289,334</u>
Fund Balance:	
Reserved for prepaid expenditures	19,367
Unreserved and undesignated	<u>1,586,556</u>
Total fund balance	<u>1,605,923</u>
Total liabilities and fund balance	<u>\$1,895,257</u>
(continued)	

PLAQUEMINES PARISH ASSESSOR
Pointe-a-la-Hache, Louisiana

Balance Sheet (continued)
Governmental Fund
December 31, 2010

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Assets

Total fund balance for the governmental fund at December 31, 2010	\$ 1,605,923
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Total net assets reported for governmental activities in the statement of net assets is different because:

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	274,250
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Liabilities not due and payable in the current period are not reported in the governmental funds:

Net OPEB obligation	(367,451)	
Revenue anticipation note payable	<u>(44,000)</u>	<u>(411,451)</u>

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of

Vehicles, furniture and equipment	35,790	
Less: Accumulated depreciation at December 31, 2010	<u>(19,879)</u>	<u>15,911</u>

Net assets at December 31, 2010	<u>\$ 1,484,633</u>
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The accompanying notes are an integral part of the basic financial statements.

PLAQUEMINES PARISH ASSESSOR
Pointe-a-la-Hache, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
Year Ended December 31, 2010

	<u>General Fund</u>
Revenues:	
Ad valorem taxes	\$1,059,736
Intergovernmental	
Federal revenue sharing	283
State revenue sharing	7,794
Charges for services	2,789
Interest income	<u>5,916</u>
Total revenues	<u>1,076,518</u>
Expenditures:	
Current -	
General government:	
Personnel services and related benefits	844,875
Operating services	129,077
Materials and supplies	22,483
Capital outlay	<u>14,740</u>
Total expenditures	<u>1,011,175</u>
Net change in fund balance	65,343
Fund balance, beginning, as restated	<u>1,540,580</u>
Fund balance, ending	<u>\$ 1,605,923</u>

(continued)

PLAQUEMINES PARISH ASSESSOR
Pointe-a-la-Hache, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance (continued)
Governmental Fund
Year Ended December 31, 2010

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
of the Governmental Fund to the Statement of Activities

Total net changes in fund balance for the year ended December 31, 2010 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 65,343
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The change in net assets reported for governmental activities in the
statement of activities is different because:

Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 14,740	
Depreciation expense for the year ended December 31, 2010	<u>(688)</u>	14,052

Some expenses reported in the Statement of Activities do not require the
use of current financial resources and, therefore are not reported as
expenditures in the governmental funds:

Change in Net OPEB obligation	(188,249)
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Revenues in the statement of activities that do not provide current financial
resources are not reported as revenues in the funds

Prior year deferred revenue on fund statements	(174,045)	
Current year deferred revenue on fund statements	<u>274,250</u>	<u>100,205</u>

Total changes in net assets for the year ended December 31, 2010 per Statement of Activities	<u>\$ (8,649)</u>
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The accompanying notes are an integral part of the basic financial statements.

PLAQUEMINES PARISH ASSESSOR
Point-a-la-Hache, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the Assessor is elected by the voters of the parish and serves a term of four years. The Assessor assesses property, prepares tax rolls and submits the rolls to the Louisiana Tax Commission as prescribed by law.

The accounting and reporting policies of the Assessor conform to accounting principles generally accepted in the United States of America as applicable to governments. Such accounting and reporting procedures also conform to the industry audit guide, *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

These financial statements include only funds, activities, et cetera, that are controlled by the Assessor as an independently elected parish official. The Plaquemines Parish Government has determined that the Assessor is a component unit of the Parish Government utilizing criteria established by Government Accounting Standards Board (GASB) Statement No. 14. The Parish Government concluded that the Assessor is fiscally dependent on the Parish since the Assessor's office is located in the Plaquemines Parish Court House, the upkeep and maintenance of the courthouse is paid by the Parish Government and in addition, the Parish Government also pays some of the Assessor's operating expenditures.

B. Basis of Presentation

The accompanying basic financial statements of the Assessor have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the Assessor as a whole. These statements include all the financial activities of the Assessor. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

PLAQUEMINES PARISH ASSESSOR
Point-a-la-Hache, Louisiana

Notes to Basic Financial Statements (continued)

The statement of activities presents a comparison between direct expenses and program revenues for the Assessor's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Assessor, and (b) grants and contributions for services offered by the Assessor. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The Assessor uses a fund to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Assessor functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The fund of the Assessor is classified as governmental. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Assessor or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The general fund of the Assessor is considered to be a major fund. The fund of the Assessor is described below:

Governmental Fund -

General Fund – This fund is the primary operating fund of the Assessor and it accounts for the operations of the Assessor's office. The general fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to Assessor policy.

C. Measurement Focus/Basis of Accounting

The amounts reflected in the general fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of Assessor operations.

PLAQUEMINES PARISH ASSESSOR
Point-a-la-Hache, Louisiana

Notes to Basic Financial Statements (continued)

The amounts reflected in the general fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Assessor considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental fund uses the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes are recorded in the year ad valorem taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on December 31 of each year and become delinquent on January 1 of the following year. The taxes are generally collected in December, January and February of the fiscal year.

Other intergovernmental revenues and charges for services are recorded when the Assessor is entitled to the funds.

Interest on interest-bearing deposits is recorded or accrued as revenue when earned.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at the time of purchase.

PLAQUEMINES PARISH ASSESSOR
Point-a-la-Hache, Louisiana

Notes to Basic Financial Statements (continued)

D. Budget Practices

1. The Assessor prepares a proposed budget for the general fund for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Assessor.

E. Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits include amounts in demand deposits, interest-bearing demand deposits, and time deposits. They are stated at cost, which approximates market.

F. Investments

Under state law, the Assessor may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Assessor may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana Law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

PLAQUEMINES PARISH ASSESSOR
Point-a-la-Hache, Louisiana

Notes to Basic Financial Statements (continued)

G. Capital Assets

Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Assessor maintains a threshold level of \$200 or more for capitalizing assets.

Capital assets are recorded in the Statement of Net Assets. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Furniture and equipment	5-10

H. Compensated Absences

Employees with one year of service are allowed a two week vacation annually. Three weeks of vacation are allowed after seven years of service, and employees with 15 years of service or more are granted four weeks of vacation leave. Vacation leave may not be carried forward to subsequent years.

Sick leave with pay is set at 12 days per year. Extended sick leave due to extensive hospitalization or family tragedies may be granted at the Assessor's discretion providing there is no sick leave or annual leave available. Sick leave may be accumulated.

At termination or retirement, employees are paid for vacation leave accumulated during the current year; however, sick leave is not paid. At December 31, 2010, the Assessor has no material accumulated leave benefits required to be reported in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*.

I. Restricted Net Assets

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. imposed by law through constitutional provisions or enabling legislation.

PLAQUEMINES PARISH ASSESSOR
Point-a-la-Hache, Louisiana

Notes to Basic Financial Statements (continued)

J. Fund Equity

In the fund financial statements, the governmental fund reports reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

(2) Cash and Interest-Bearing Deposits

Under state law, the Assessor may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Assessor may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2010, the Assessor has cash and interest-bearing deposits (book balances) totaling \$636,741, as follows:

Deposit accounts	\$ 510,181
Money market account	<u>126,560</u>
Total	<u>\$ 636,741</u>

Under state law, deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Assessor or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties.

Deposit balances (bank balances) at December 31, 2010, are secured as follows:

Bank balances	<u>\$ 658,770</u>
Federal deposit insurance	259,087
Pledged securities	120,183
SIPC insured	<u>279,500</u>
Total	<u>\$ 658,770</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Assessor's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. As of December 31, 2010, the Assessor's total bank balances were fully insured or collateralized with securities held in the name of the Assessor by the pledging financial institution's agent and the Securities Investor Protection Corporation (SIPC) and are not exposed to custodial credit risk.

PLAQUEMINES PARISH ASSESSOR
Point-a-la-Hache, Louisiana

Notes to Basic Financial Statements (continued)

(3) Revenue Anticipation Note

During 2006, the Assessor issued a revenue anticipation note in the amount of \$44,000 which remains outstanding at December 31, 2010. The note bears interest at a rate of 2.67%. The note does not require the payment of principal and interest on an installment basis. Final maturity and payment of principal and interest occurs in 2011. The revenue anticipation note is payable solely from the assessor's excess revenues.

(4) Ad Valorem Taxes

Pursuant to Act 174 of 1990, Louisiana Revised State Statute 47:1925.2 created a special assessment district to provide ad valorem taxes revenue to fund the Assessor's office.

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. During the current fiscal year, taxes were levied in June and billed to the taxpayers by the Plaquemines Parish Sheriff in October. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year.

The taxes are based on assessed values determined by the Plaquemines Parish Tax Assessor and are collected by the Plaquemines Parish Sheriff. The taxes are remitted to the Tax Assessor net of deductions for pension fund contributions.

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended December 31, 2010, special assessment district taxes were levied at the rate of 1.2 mills, on property with assessed valuations totaling \$901,760,599.

Total special assessment district taxes levied during 2010 was \$1,082,114.

PLAQUEMINES PARISH ASSESSOR
Point-a-la-Hache, Louisiana

Notes to Basic Financial Statements (continued)

(5) Receivables and Due From Other Governmental Units

Receivables and amounts due from other governmental units at December 31, 2010 consist of the following:

	<u>Receivables</u>	<u>Due from Other Governmental Units</u>
Government wide statement of net assets:		
Plaquemines Parish Sheriff -		
Ad valorem taxes	\$ -	\$ 1,185,485
State revenue sharing	-	5,135
Expense reimbursement	-	12,758
Plaquemines Parish School Board	-	18,829
Plaquemines Parish Government	-	11,686
Plaquemines Parish Hospital Service District No. 1	-	4,103
Interest receivable	1,153	-
	<u>\$ 1,153</u>	<u>\$ 1,237,996</u>

(6) Capital Assets

Capital asset activity for the year ended December 31, 2010 was as follows:

	<u>Balance 1/1/2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2010</u>
Governmental activities:				
Capital assets, not being depreciated:				
Furniture and equipment	\$ -	\$ 14,740	\$ -	\$ 14,740
Capital assets, being depreciated:				
Furniture and equipment	21,050	-	-	21,050
Less: accumulated depreciation				
Furniture and equipment	(19,191)	(688)	-	(19,879)
Net capital assets	<u>\$ 1,859</u>	<u>\$ 14,052</u>	<u>\$ -</u>	<u>\$ 15,911</u>

For the year ended December 31, 2010, depreciation expense in the amount of \$688 was charged to general government.

PLAQUEMINES PARISH ASSESSOR
Point-a-la-Hache, Louisiana

Notes to Basic Financial Statements (continued)

(7) Pension Plan

The Assessor participates in the Assessors' Retirement Fund ("System"), a multiple-employer, public employee retirement system (PERS), controlled and administrated by a separate board of trustees.

The system provides retirement, disability and death benefits to plan members and beneficiaries. Benefits under the system are established and amended by Louisiana state statutes. A publicly available financial report that includes financial statements and required supplemental information may be obtained by writing to the Assessors' Retirement Fund, P. O. Box 14699, Baton Rouge, Louisiana 70898.

Plan members are required to contribute 8.0 percent of their annual covered salary and the Assessor is required to contribute at the statutory rate of 13.5 percent of the annual covered payroll. The Assessor's contributions to the system for the years ended December 31, 2010, 2009, and 2008 were \$106,418, \$95,158, and \$87,040 equal to the required contribution for each year.

(8) Risk Management

The Assessor is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Assessor has obtained coverage from various commercial insurance companies to reduce his exposure to these risks.

(9) Postemployment Benefits Other than Pensions

From an accrual accounting perspective, the cost of postemployment healthcare benefits should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended December 31, 2009, the Assessor began to recognize the cost of postemployment benefits in the year when employee services are rendered, to report the accumulated liability from prior years, and to provide information useful in assessing potential demands on the Assessor's future cash flows. Because the Assessor is adopting the requirements of GASB Statement No. 45 prospectively, recognition of the liability from prior years will be phased in over 30 years, commencing with liability at December 31, 2009.

Plan Description. The Assessor contributes to a multiple-employer defined benefit healthcare plan through the Louisiana Assessor's Association which extends postemployment medical, dental and life benefits to qualifying employees upon retirement. Benefit provisions are established by the Assessor. The plan does not issue a publicly available financial report.

A covered employee may retire at or after age 55 with at least 12 years of credited service or at any age with at least 30 years of credited service.

Currently the Assessor provides postemployment medical and insurance benefits to 3 retired employees.

PLAQUEMINES PARISH ASSESSOR
Point-a-la-Hache, Louisiana

Notes to Basic Financial Statements (continued)

Contribution Rates. Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Funding Policy. The Assessor recognizes the cost basis of providing postemployment benefits (the Assessor's portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums are due and thus finances the cost of the postemployment benefits on a pay-as-you-go basis. In 2010, the Assessor's portion of health care and life funding cost for retired employees totaled \$20,689.

Annual Required Contribution. The Assessor's annual required contribution (ARC) is an amount actuarially determined in accordance with GASB 45 and is the sum of the normal cost plus the contribution to amortize the unfunded actuarial accrued liability (UAAL). A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB 45) has been used for the post-employment benefits. The following table shows the components of the Assessor's annual OPEB costs for the year, the amount actually contributed to the plan, and the changes in the Assessor's net OPEB obligation to the retiree health plan:

Annual required contribution	\$ 212,321
Interest on Net OPEB Obligation	7,168
Adjustment to annual required contribution	<u>(10,551)</u>
OPEB cost	208,938
Current year retiree premium	<u>(20,689)</u>
Change in net OPEB obligation	188,249
Net OPEB obligation - beginning of year	<u>179,202</u>
Net OPEB obligation - end of year	<u>\$ 367,451</u>

The Assessor's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended December 31, 2010 and 2009 are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
December 31, 2009	\$ 201,770	11%	\$ 179,202
December 31, 2010	\$ 208,938	10%	\$ 367,451

The fiscal year ended December 31, 2009 was the year of implementation of GASB Statement No. 45, and the Assessor has elected to implement the standard prospectively. Therefore, comparative data is only available for two years. In future years, three-year trend information will be presented.

Funding Status and Funding Progress. In the fiscal year ended December 31, 2010, the Assessor made no contributions to its postemployment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of January 1, 2009, the first and most recent actuarial valuation, the actuarial accrued liability (AAL) was \$2,033.810, which is defined as that portion, as determined by a particular actuarial cost method (the Assessor uses the Unit Credit Actuarial

PLAQUEMINES PARISH ASSESSOR
Point-a-la-Hache, Louisiana

Notes to Basic Financial Statements (continued)

Cost Method), of the actuarial present value of postemployment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded during 2010 and 2009, the entire actuarial accrued liability of \$2,033,810 was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$562,179 for the year ended December 31, 2010, and the ratio of the unfunded AAL to the covered payroll was 361.77%.

Actuarial Methods and Assumptions. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for postemployment benefits includes estimates and assumptions regarding (1) withdrawal rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Assessor and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Assessor and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Assessor and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method. The ARC is determined using the projected unit credit cost method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Actuarial Value of Plan Assets. Since this is the first actuarial valuation, there are not any assets. It is anticipated that in future valuations a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

Investment Return Assumption (Discount Rate). GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (*that is, for a plan which is funded*). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation. This is a conservative estimate of the expected long-term return of a balanced and conservative investment portfolio under professional management.

PLAQUEMINES PARISH ASSESSOR
Point-a-la-Hache, Louisiana

Notes to Basic Financial Statements (continued)

10) Prior Period Adjustments

An error in the recognition of interfund activity resulting in the overstatement/ (understatement) of net assets and fund balance in the Assessor's previously issued financial statements have been corrected in the current year. This correction resulted in the following change to beginning balances:

	<u>Net Assets</u>	<u>Fund Balance General Fund</u>
As previously reported	\$ 1,483,609	\$ 1,530,907
Restatements:		
Overstatement of accrued liabilities	<u>9,673</u>	<u>9,673</u>
As restated	<u>\$ 1,493,282</u>	<u>\$ 1,540,580</u>

11) New Accounting Pronouncement

In March 2009, the Governmental Accounting Standards Board (GASB) approved Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (Statement). Certain significant changes in the Statement will require the following:

Fund balance for the Assessor's governmental fund (the General Fund) will be displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

1. Nonspendable fund balance—amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact.
2. Restricted fund balance—amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation.
3. Committed fund balance—amounts that can be spent only for specific purposes determined by a formal action of the government's highest level of decision-making authority.
4. Assigned fund balance—amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balance—amounts that are available for any purpose; these amounts can be reported only in the Assessor's General Fund.

The Statement also establishes several new presentation and disclosure requirements, including requirements related to stabilization arrangements (i.e., "rainy day" amounts).

The Assessor is required to implement this standard for the fiscal year ending December 31, 2011.

REQUIRED SUPPLEMENTARY INFORMATION

PLAQUEMINES PARISH ASSESSOR
Pointe-a-la-Hache, Louisiana

Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2010

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:				
Ad valorem taxes	\$ 950,000	\$ 934,645	\$1,059,736	\$ 125,091
Intergovernmental				
Federal revenue sharing	1,500	283	283	-
Parish reimbursements	-	23,085	-	(23,085)
State revenue sharing	5,500	5,181	7,794	2,613
Self-generated fees	750	1,660	2,789	1,129
Interest income	5,000	525	5,916	5,391
Total revenues	<u>962,750</u>	<u>965,379</u>	<u>1,076,518</u>	<u>111,139</u>
Expenditures:				
Current -				
General government:				
Personnel services and related benefits	796,316	846,150	844,875	1,275
Operating services	99,000	134,450	129,077	5,373
Materials and supplies	36,000	42,768	22,483	20,285
Capital outlay	-	-	14,740	(14,740)
Total expenditures	<u>931,316</u>	<u>1,023,368</u>	<u>1,011,175</u>	<u>12,193</u>
Net change in fund balance	31,434	(57,989)	65,343	123,332
Fund balance, beginning	<u>1,283,145</u>	<u>1,530,907</u>	<u>1,540,580</u>	<u>9,673</u>
Fund balance, ending	<u>\$1,314,579</u>	<u>\$1,472,918</u>	<u>\$1,605,923</u>	<u>\$ 133,005</u>

See independent auditor's report.

Budgetary Basis of Accounting:

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).

Budgeted amounts are as originally adopted or as finally amended by the Assessor.

PLAQUEMINES PARISH CLERK OF COURT
Pointe-a-la-Hache, Louisiana

Schedule of Funding Progress
Postemployment Benefits Other Than Pensions
Year Ended December 31, 2010

Actuarial Valuation Date	Actuairal Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
January 1, 2009	\$ -	\$ 2,033,810	\$2,033,810	0.00%	\$505,870	402.04%

INTERNAL CONTROL COMPLIANCE, AND OTHER MATTERS

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Robert R. Gravolet
Plaquemines Parish Assessor
Point-a-La-Hache, Louisiana

We have audited the financial statements of the governmental activities and the major fund of the Plaquemines Parish Assessor ("Assessor"), as of and for the year then ended December 31, 2010 which collectively comprise the Assessor's basic financial statements, and have issued our report thereon dated June 29, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Assessor's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of the Assessor's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Assessor's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of audit results and findings, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Assessor's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of audit results and findings as items 2010-1 and 2010-2 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Assessor's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Assessor's responses to the findings identified in our audit are described in the accompanying corrective action plan for current year findings. We did not audit the Assessor's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the Assessor, management and others within the organization, and the Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44:6.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
June 29, 2011

PLAQUEMINES PARISH ASSESSOR
Point-a-la-Hache, Louisiana

Schedule of Audit Results and Findings
Year Ended December 31, 2010

Part I. Summary of Auditor's Results:

Unqualified opinions have been issued on the financial statements of the Assessor's governmental activities and the major fund.

Significant deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements and are considered to be material weaknesses.

The audit disclosed no instances of noncompliance which are required to be reported under *Government Auditing Standards*.

A management letter was not issued.

PLAQUEMINES PARISH ASSESSOR
Point-a-la-Hache, Louisiana

Schedule of Audit Results and Findings (continued)
Year Ended December 31, 2010

Part II. Findings required to be reported in accordance *Governmental Auditing Standards*:

A. Internal Control

2010-1 - Segregation of Duties:

CONDITION: Accounting and financial functions are not adequately segregated.

CRITERIA: Internal control is a process – effected by those charged with governance, management, and other personnel – designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The Assessor's internal control over financial reporting includes those policies and procedures that pertain to the Assessor's ability to record, process, summarize, and report financial data consistent with the assertions embodied in financial statements.

CAUSE: The cause of the conditions is the result of a failure to design and implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

PLAQUEMINES PARISH ASSESSOR
Point-a-la-Hache, Louisiana

Schedule of Audit Results and Findings (continued)
Year Ended December 31, 2010

2010-2 – Inadequate supporting documentation

CONDITION: Adequate supporting documentation for expenditure transactions, primarily source receipts for credit card charges, is not properly retained and filed.

CRITERIA: Internal control is a process – effected by those charged with governance, management, and other personnel – designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The Assessor's internal control over financial reporting includes those policies and procedures that pertain to the Assessor's ability to record, process, summarize, and report financial data consistent with the assertions embodied in financial statements.

CAUSE: The cause of the conditions is the result of a failure to design and implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Failure to adequately maintain support for expenditures increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: We recommend that the Assessor begin maintaining proper support for all expenditures incurred during the fiscal year.

B. Compliance

There were no findings reported under this section.

Part III. Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133.

Not Applicable

PLAQUEMINES PARISH ASSESSOR
Point-a-la-Hache, Louisiana

Summary Schedule of Prior Audit Findings
Year Ended December 31, 2010

A. Internal Control –

2009-01 – Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

RECOMMENDATION: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

CURRENT STATUS: See schedule of audit results and findings item 2010-1.

2009-02 – Application of GAAP

CONDITION: Management and staff lack the training and expertise in the selection and application of GAAP in the financial statement preparation process.

RECOMMENDATION: The additional costs required to achieve the desired benefit may not be economically feasible.

CURRENT STATUS: This finding has been resolved.

2009-03 – Inadequate supporting documentation

CONDITION: Charges to credit cards for the prior accounting period were posted to the current accounting period.

RECOMMENDATION: Adequate supporting documentation for expenditure transactions, primarily source receipts for credit card charges, is not properly retained and filed.

CURRENT STATUS: See schedule of audit results and findings item 2010-2.

B. Compliance –

This section was not applicable.

C. OMB A-133 –

This section was not applicable.

**PLAQUEMINES PARISH ASSESSOR
Point-a-la-Hache, Louisiana**

**Corrective Action Plan for Current Year Findings
Year Ended December 31, 2010**

A. Internal Control

2010-01 – Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

MANAGEMENT'S RESPONSE: not applicable

2010-02 – Inadequate Supporting Documentation

CONDITION: Adequate supporting documentation for expenditure transactions, primarily source receipts for credit card charges, is not properly retained and filed.

MANAGEMENT'S RESPONSE: The Assessor will implement policies and procedures to insure that adequate and proper supporting documentation is maintained for all expenditures.

B. Compliance

There were no findings reported under this section.